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**CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES (CARES)
PROGRAM**

1. PURPOSE: This Veterans Health Administration (VHA) Directive describes the Capital Asset Realignment for Enhanced Services (CARES) Program. **NOTE:** *This directive rescinds VHA Directive 2000-040, dated October 24, 2000.*

2. BACKGROUND

a. The National CARES Program will assess veteran health care needs in VHA Networks and identify Planning Initiatives (PI) to meet those needs in the future. The CARES Program will guide the realignment and allocation of capital assets to support the improved delivery of health care services. CARES will, thereby, improve quality as measured by access and improve the delivery of health care in a cost-effective manner, while maximizing positive opportunities and minimizing any adverse impacts on staffing, communities, and on other Department of Veterans Affairs (VA) missions.

b. VHA's current health care delivery model emphasizes a continuum of care provided within a regional or Network-based integrated delivery system. The existing capital infrastructure was designed primarily for inpatient care and, as a result, in many cases VHA's capital assets do not align with current health care needs for optimal efficiency. The cost to maintain and operate VA health care facilities that cannot provide efficient and accessible services diminishes resources that could otherwise be used to provide better care in more appropriate settings.

c. VHA's National Strategic Planning Guidance sets forth the requirements to clearly identify health care needs of the veteran population served by the Network, and articulates a framework to develop strategic plans to address those needs. Health care needs identified in the strategic plans will provide the context and the framework for capital asset management decisions. CARES will improve access and enhance VHA's delivery of health care by maintaining an environment that maximizes the quality of health care.

d. VA's vision for the National CARES Program is that veterans will benefit from:

- (1) Enhanced services for health care.
- (2) Improved future infrastructure in VA.
- (3) VA's capital asset realignment.
- (4) Better managed information and systems.
- (5) Sharing of VA technology advantages with Department of Defense (DOD).
- (6) Strengthened support to National Defense, Emergency Response, and Homeland Security.

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e. The CARES Program will:

- (1) Provide a clear vision for VHA health care to all stakeholders.
- (2) Address VHA's "Six for 2007 Strategic Objectives."
- (3) Maximize objectivity in future VHA health care planning.
- (4) Address the Secretary of Veterans Affairs' priorities of CARES.
- (5) Maximize inclusiveness and stakeholders' participation.
- (6) Address the strategic service delivery goals of Veterans Benefits Administration (VBA) and National Cemetery Administration (NCA).

f. **The CARES Planning Process**

(1) The CARES planning process will:

(a) Incorporate Network-based data, strategic health care planning input, and the cooperative participation of all stakeholders toward achieving the stated vision and outcomes of the National CARES Program.

(b) Ensure that enhanced-use lease opportunities are addressed in a comprehensive manner.

NOTE: *VA will improve the effective use of this important capital asset tool.*

(c) Identify opportunities for converting vacant space into alternative uses or disposing of excess assets in the most effective manner.

(d) Improve sharing facilities and services with DOD. **NOTE:** *Through the CARES planning process, all avenues for maximizing or pooling resources need to include the sharing of facilities and services with DOD.*

(2) **Definitions**

(a) **Capital Asset Realignment (CAR) Plan.** A CAR plan summarizes changes to all identified capital assets associated with specific clinical or services planning initiatives. Changes may include increased investments, divestments, or realignments of capital assets.

(b) **CARES Process.** The CARES Process integrates health care planning and capital asset planning to maximize efficiency and provide the best quality health care services to veterans. An analysis of VHA's health care markets will be completed for each Network. This analysis begins in VA Central Office with a system wide determination of markets and realignment gaps. The gaps are determined in part by comparing the expected need and location of services by veterans in years 2012 through 2022 with the current location and capacity of VA health care services

within each Network. The realignment gaps become PIs that are to be completed by the Networks. The Networks complete the PIs by developing solutions that will result in efficiently providing the required services and an optimal alignment of capital assets to best support those services. These solutions incorporate ongoing efforts to collaborate with DOD and also include assessment and utilization of community resources. The solutions are developed as Network Market Plans. The Market Plans are submitted to VA Central Office and incorporated into the draft VHA National CARES Plan. The CARES Commission will then review the draft National CARES Plan and their recommendations will be submitted to the Secretary, Department of Veterans Affairs.

(c) Evaluation Criteria. The Evaluation Criteria are the expected outcomes and performance results that serve as the basis for evaluating the CARES process. They are divided into threshold and impact criteria. ***NOTE: The evaluation will be performed by the National CARES Program Office and the CARES Commission.***

1. **Impact Evaluation Criteria.** Criteria that allow PIs to be evaluated for their impact upon key CARES goals and objectives. Impact criteria include:

- a. Health care quality as measured by access;
- b. Staffing and community impact;
- c. Support of other VA missions; and
- d. Optimizing use of resources.

2. **Threshold Evaluation Criteria.** These are “pass or fail” criteria that must be met for any PI to be included in a market plan. The threshold criteria are defined as:

- a. Quality,
- b. Need,
- c. Access, and
- d. Safety of the health care environment.

(d) Market Plan. Market Plans will be produced at the Network level based upon health care markets within that Network. Each market plan is composed of the completed PI that solve each realignment gap identified for that market.

(e) National CARES Plan. The National CARES Plan is the compilation of the PIs approved by the Secretary of Veterans Affairs into an integrated and structured approach to providing health care services to veterans. The National CARES Plan is designed to optimize capital realignment to ensure that it supports the expected need by veterans for services from year 2012 through year 2022.

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(f) Planning Initiatives (PIs). PIs are the issues identified by VA Central Office that must be resolved to ensure that the capital and programs required to meet the future health care needs of veterans will be available. They are the components of the individual Network Market Plans.

(g) National CARES Program Office (NCPO). The VHA NPCO was established to manage the National CARES program and is the main coordinating body that integrates the work of the other groups. This office consists of a multidisciplinary team of health care professionals, with varied technical skills, and has the primary responsibility to develop the National CARES Plan.

(h) CARES Planning Group (CPG). In addition to staff from the major VHA program offices, CPG consists of staff from: VBA, NCA, Office of Management, Office of Policy and Planning, and Office of Acquisition and Materiel Management. They have an advisory role as well as provide support to NCPO.

(i) CARES Commission. To ensure objectivity in the National CARES process, the Secretary of Veterans Affairs will appoint a CARES Commission, consisting of nine external non-VA members. The Commission becomes involved in the process after:

1. The Network CARES Market Plans are reviewed by NCPO, the Clinical CARES Advisory Group, the CARES One VA Committee, and the Under Secretary for Health, and

2. The draft National CARES Plan has been prepared.

(3) The National CARES Plan includes Veterans Integrated Service Networks (VISN) PIs identified by VA Central Office. PIs are market-based proposals within the VISN for the delivery of health care services. For utilization forecasting, the use of enrollment projection data provided by the actuarial firm for years 2012 through 2022 is mandated. **NOTE:** *Networks will receive a CARES Guidebook containing detailed instructions and an explanation of the CARES planning process.*

3. POLICY: It is VHA policy that capital assets must be realigned through the CARES program to meet veterans' current and projected health care needs.

4. ACTION

a. VISN Director. The VISN Director is responsible for:

(1) Providing input and implementing a CARES Market Plan that:

(a) Supports quality health care delivery,

(b) Improves access to veterans' health care services,

(c) Guides future capital investments, and

(d) Addresses the impact on the delivery of benefits and services provided to veterans by VBA and NCA.

(2) Completing the data requirements for the identification of gaps in markets that require PIs, based on the standardized methodology provided from NCPO.

(3) Attending official meetings with the NCPO regarding these PIs.

(4) Submitting completed CARES market plans with PIs to VHA Central Office by November 30, 2002. The executive summary of the Network report must include an assessment of the relative strengths and weaknesses of each CARES Market Plan within the VISN; and how the PIs compare, support and align with the Network's strategic goals and objectives as well as the Uniform Benefits Package, the Millennium Health Care and Benefits Act of 1999, and Section 203 of Public Law 107-135, on Maintenance Capacity for Specialized Treatment and Rehabilitative Needs of Disabled Veterans. The CARES Market Plan will also address the impact on the strategic service delivery goals of VBA and NCA.

(5) Identifying capital investment requirements for the implementation of the approved PIs, and incorporating them into its CAR Plan. CAR must support veterans' health care needs and reflect linkage and alignment of capital proposals to specific strategic goals and objectives in the National strategic plans.

(6) Designating an executive group or utilizing the Strategic Planning Council (SPC), CARES Task Force (CTF), Executive Leadership Council (ELC), or equivalent group to serve as a Network Steering Committee (NSC) for CARES. The NSC, or equivalent, must include representatives of VHA field management, representation from the VHA missions of clinical care, education (Academic Affiliations), and research, as well as from VBA regional offices, NCA, and DOD.

(7) Ensuring (in consultation with the NCPO)) that VA's stakeholders are kept fully informed throughout the CARES process and that appropriate input is obtained and communicated for consideration. **NOTE:** *Communication is a critical element in CARES planning.*

(8) Reviewing Network health care shared markets (geographic areas where Networks meet), collaborating with neighboring Networks, and making recommendations concerning the planning initiatives for those shared markets.

NOTE: *Deviations from these procedures and requirements in the CARES Guidebook need to be requested with justification from the CARES office.*

b. **Communications Coordinator.** A key member of the VISN CARES team, the Communications Coordinator's role is to keep the stakeholder constituency informed throughout the process. This includes meetings, as well as written communications, at all key milestones of the process. The CARES Guidebook contains requirements for a Network and National Communications Plan that gives a framework to be followed and implemented. Networks must maintain records of all deliberative processes, stakeholders' communications, as well as all documentation supporting or relating to the CARES planning process. Any questions or

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concerns need to be directed to the VHA Office of Communications (202) 273-8591. **NOTE:** See subparagraph 4c(5) on CARES Commission for their role in stakeholder communication.

c. VHA Central Office Review and Approval of CARES Planning Initiatives

- (1) **National CARES Program Office (NCPO).** The major duties of NCPO are to:
- (a) Coordinate the administration of the CARES process within VA Central Office.
 - (b) Direct and assist the VISNs in providing data and data analysis for the CARES PIs.
 - (c) Identify the Network market gaps that determine the CARES PIs.
 - (d) Collaborate with the Office of Public Affairs and VHA Office of Communications to ensure the stakeholder participation occurs throughout the process.
 - (e) Develop and maintain a CARES Guidebook to provide instructions and guidance for developing CARES PIs.
 - (f) Review CARES PIs for consistency with veterans' health care needs, evaluation criteria, and the performance goals and objectives of the National VA Strategic Plan.
 - (g) Coordinate the CARES Program with VBA and NCA.
 - (h) Coordinate with DOD on the development of the National CARES Plan to maximize sharing and collaboration of capital assets.
 - (i) Ensure that each PI provides specific quantifiable documentation that addresses the criteria identified in the CARES Evaluation Criteria.
 - (j) Prepare a National CARES Plan for VHA senior management and the CARES Commission that includes ranking criteria, a summary of all PIs, and the evaluation of each market plan.
 - (k) Collaborate with the CARES Planning Group activities.
 - (l) Maintain records of all deliberative processes, stakeholders' communications, as well as all documentation supporting or relating to the CARES planning process.
 - (m) Prepare the final report and recommendations from the National CARES Commission, including stakeholders' comments, and provide all necessary staff support until the completion of the CARES project.
 - (n) Perform evaluation of the CARES process through continuous review and adjustment.

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NOTE: Upon approval of the National CARES Plan, the NCPO will eventually be phased out. Implementation plans are the responsibility of the Office of the Deputy Under Secretary for Health for Operations and Management.

(2) **CARES Planning Group (CPG).** The duties of CPG are to:

- (a) Identify and recommend policy issues and criteria related to the CARES planning process.
- (b) Assist in the coordination of all elements within the National CARES Plan.
- (c) Consider input from all sources and incorporates adjustments into the CARES planning process accordingly.
- (d) Address all CARES policy issues referred from program offices, Networks, and elsewhere.
- (e) In unison with NCPO, evaluate the CARES process on an ongoing basis and provide guidance to NCPO.
- (f) Participate in the evaluation of the CARES planning process at its conclusion.
- (g) Publish minutes of its meetings and share them with pertinent offices.
- (h) Assist in the development and maintenance of CARES planning guidance.

(3) **Under Secretary for Health's Clinical CARES Advisory Group (CCAG).** The duties of CCAG, comprised of VA Central Office clinical leaders and other consultants appointed by the Under Secretary for Health, are to:

- (a) Advise the Under Secretary for Health on the National CARES Plan.
- (b) Develop recommendations regarding all clinical, research and educational issues within the National CARES Plan.

(4) **CARES One VA Committee (COVAC).** **NOTE:** VHA will convene a CARES One VA Committee comprised of VHA senior managers, senior clinical program managers, and VA department senior managers, including: VBA, NCA, Office of Management, and the Office of Policy and Planning. COVAC reviews and evaluates the draft National CARES Plan, and coordinates it with VA's strategic plan. Following this evaluation, COVAC, in an advisory role to the Under Secretary for Health, formulates a decision memo for acceptance by the Under Secretary for Health. These duties include:

- (a) Advising the Under Secretary for Health prior to final endorsement of the National CARES Plan.

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(b) Making recommendations concerning any elements of the draft National CARES Plan that transcends VHA.

(5) **CARES Commission.** The duties of the CARES Commission are to:

(a) Accept, modify or reject with supporting comments the recommendations received from the Under Secretary for Health (draft National CARES Plan).

(b) Apply CARES evaluation criteria in its recommendations.

(c) Fulfill the requirements of the Federal Advisory Committee Act.

(d) Operate an “open and fair” process, while ensuring that all VA assets and health care requirements have been considered and addressed.

(e) Interact with stakeholders, including Veterans Service Organizations, medical school affiliates, government entities, or local community groups, as necessary.

(f) Evaluate comments received during the public comment period and address those and other stakeholder concerns in its recommendations to the Secretary of Veterans Affairs.

(g) Respond as “Stewards of America’s Resources” to any final stakeholders criticism, concern, or Congressional inquiry.

(h) Consult with the Under Secretary for Health prior to making its recommendations.

(i) Conduct regional public hearings and site visits, as appropriate, to evaluate the draft National CARES Plan in developing its recommendations.

NOTE: Implementation of the National CARES Plan. *Implementation of the National CARES Plan is not addressed in this directive; however, Chapter 8, CARES Guidebook Phase II, explains the process.*

5. REFERENCES

a. Office of Management and Budget (OMB) Capital Programming Guide, July 1997.

b. VA Capital Investment Methodology Guide, May 2000.

c. VHA National Strategic Planning Guidance, January 2002.

d. VHA Directive 1660.1, Enhanced Health Care Resource Sharing Authority – Sharing.

6. FOLLOW-UP RESPONSIBILITY: The CARES Office (10AC) is responsible for the contents of this VHA Directive. Questions may be addressed to 202-565-5272.

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7. RESCISSIONS: VHA Directive 2000-040, dated October 24, 2000, is rescinded. This VHA Directive expires May 31, 2007.

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